

# MORNING REPORT

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## Top News

### KEY FACTORS IMPACTING KEY OVERSEAS

U.S. equity markets closed mixed with the Nasdaq hitting record highs, finishing 0.17% higher, while both the Dow Jones Industrial Average and the S&P 500 slid off all-time highs, finishing down 0.59% and 0.2%, respectively on the back of a slowdown in the services sector. The services sector, which accounts for more than two-thirds of economic activity, slowed last month due to supply-chain issues and disruptions caused by COVID-19.

Other leading offshore markets were broadly lower, with the German DAX closed 0.96 lower, France's CAC lost 0.91% and Britain's FTSE 100 declined 0.89%. In Asia, Hong Kong's Hang Seng index slipped 0.25%, China's Shanghai Composite fell 0.12% and Japan's Nikkei 225 ticked up 0.16%.

West Texas Intermediate crude oil prices were sharply lower after spiking as much as \$1.82 to \$76.98, but then closed at \$73.37 a barrel after production talks between OPEC and its allies broke down. The rising oil prices are threatening the recovery.

### SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY

Australian shares closed lower on Tuesday weighed down by tech stocks and as the country's central bank in a policy meeting decided to trim its bond buying programme. The S&P/ASX 200 closed 0.7% lower at 7,261.8 points. The tech stocks fell 1.8%, led by Appen Ltd, down 6.2%, and Megaport Ltd, losing 3.5%. The Big four banks were down 0.2% and 0.6%.

In New Zealand, the benchmark S&P/NZX 50 index fell 0.4% to 12,758.9 on turnover of \$166m. Air NZ extended its previous rise to close 1.9% higher, while Auckland Airport was down 3.2% as the market corrected excesses of the previous day spurred by the Sydney Airport takeover bid.

Both the ASB and the BNZ are suggesting that the RBNZ may feel the need to tighten monetary policy, with the ASB predicting this to start as early as November with a possible increase in the official cash rate.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	13,924.51	54.31	▼	0.39%
S&P/NZX 50 Portfolio Index	8,159.45	25.09	▼	0.31%
S&P/NZX MidCap Index	36,631.45	68.49	▲	0.19%
S&P/NZX SmallCap Index	91,823.00	227.50	▲	0.25%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,531.40	57.60	▼	0.76%
S&P/ASX 200	7,261.80	53.20	▼	0.73%
ASX Small Ordinaries	3,330.70	41.00	▼	1.22%
S&P/ASX MIDCAP 50	8,921.50	93.50	▼	1.04%
S&P/ASX 20	4,083.30	23.80	▼	0.58%
Foreign Markets Index				
	Last	Change		
S&P 500	4,343.54	8.80	▼	0.20%
Dow Jones Industrial Average	34,577.37	208.98	▼	0.60%
NASDAQ Composite	14,663.64	24.32	▲	0.17%
FTSE 100	7,100.88	64.03	▼	0.89%
ASX All Ordinaries	7,531.40	57.60	▼	0.76%
NIKKEI 225	28,643.21	45.02	▲	0.16%
HANG SENG INDEX	28,072.86	70.64	▼	0.25%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9358	0.0027	▲	0.29%
USD	0.7012	0.0014	▼	0.20%
CNY	4.543	0.0032	▲	0.07%
EUR	0.5932	0.0009	▲	0.15%
CAD	0.8738	0.0067	▲	0.77%
GBP	0.5082	0.0008	▲	0.16%
JPY	77.58	0.3705	▼	0.48%
US 10 Year Treasury Yield				
US 10YR	1.50%			
NZ Interest Rates				
	Last			
NZ OCR	0.25			
90-day Bank Bill	0.26			
5y Bank Bill	0.34			
10y Bank Bill	0.70			
Swap rate spread close (bps)	58			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,797.10	13.80	▲	0.77%
Silver	26.25	0.26	▼	0.97%
Crude Oil	73.71	1.45	▼	1.93%

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